ENVICTUS INTERNATIONAL HOLDINGS LIMITED
(Company Registration No: 200313131Z)

UNAUDITED FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) (i) Consolidated Statement of Comprehensive Income

	2020 RM'000	2019 RM'000 (Restated)	Change %
Continuing operations			
Revenue	399,599	420,788	(5.0)
Cost of goods sold	(239,160)	(258,689)	(7.5)
Gross profit	160,439	162,099	(1.0)
Other operating income	8,092	6,374	27.0
Operating expenses			
Administrative expenses	(38,174)	(37,475)	1.9
Selling and marketing expenses	(132,919)	(121,239)	9.6
Warehouse and distribution expenses	(22,767)	(24,811)	(8.2)
Research and development expenses	(641)	(218)	>100
Impairment of property, plant and equipment	(35,528)	(60)	>100
Other operating expenses	(4,397)	(2,390)	84.0
	(234,426)	(186,193)	25.9
Loss before interest and tax	**(65,895)**	**(17,720)**	**>100**
Finance costs	(21,174)	(6,569)	>100
Loss before income tax	**(87,069)**	**(24,289)**	**>100**
Income tax expense	(1,473)	(2,160)	(31.8)
Loss from continuing operations, net of tax	**(88,542)**	**(26,449)**	**>100**
Loss from discontinued operations, net of tax	**(12,397)**	**(10,402)**	**19.2**
Loss for the financial year	**(100,939)**	**(36,851)**	**>100**

1(a) (i) Consolidated Statement of Comprehensive Income (continued)

	2020 RM'000	2019 RM'000 (Restated)	Change %
Loss for the financial year	**(100,939)**	**(36,851)**	**>100**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign Operations			
- Continuing operations	2,572	(1,272)	>100
- Discontinued operations	2,397	979	>100
	4,969	(293)	>100
Items that will not be reclassified subsequently to profit or loss:			
Net fair value gain/(loss) on financial assets at FVOCI	1,357	(70)	>100
Other comprehensive income for the financial year, net of tax	6,326	(363)	>100
Total comprehensive income	**(94,613)**	**(37,214)**	**>100**
Loss attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(88,542)	(25,053)	>100
- Loss from discontinued operations, net of tax	(12,397)	(10,402)	19.2
	(100,939)	(35,455)	>100
Non-controlling interests	-	(1,396)	N/A
	(100,939)	**(36,851)**	**>100**
Total comprehensive income attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(84,613)	(26,306)	>100
- Loss from discontinued operations, net of tax	(10,000)	(9,423)	6.1
	(94,613)	(35,729)	>100
Non-controlling interests	-	(1,485)	N/A
	(94,613)	**(37,214)**	**>100**

1(a) (ii) Loss for the financial year is arrived at after charging/(crediting) the following:

	Continuing Operations			Discontinued Operations		
	2020 RM'000	2019 RM'000	Change %	2020 RM'000	2019 RM'000	Change %
Loss/(Write back of) allowance on receivables, net	646	416	55.3	(9)	(247)	(96.4)
Amortisation of intangible assets	456	441	3.4	-	271	N/A
Depreciation of property, plant and equipment*	50,084	23,852	>100	315	2,333	(86.5)
Depreciation of investment properties	482	482	-	-	-	-
Rental expenses	6,949	26,751	(74.0)	1,690	4,698	(64.0)
Rent concession	(2,533)	-	100	-	-	-
Finance costs	21,174	6,569	>100	3	114	(97.4)
Foreign currency exchange loss/(gain), net	2,586	588	>100	(230)	154	>100
(Gain)/Loss on disposal of property, plant and equipment	(167)	(1,330)	(87.4)	8	22	(63.6)
Gain on disposal of assets classified as held for sale	-	-	-	(173)	-	100
Gain on disposal of a subsidiary	-	-	-	-	(10,501)	N/A
Impairment of intangible assets	-	-	-	-	7,247	N/A
Impairment of property, plant and equipment	33,388	60	>100	961	101	>100
Impairment of deposits for purchase of property, plant and equipment	2,140	-	100	-	-	-
Intangible assets written off	-	-	-	5	28	(82.1)
Interest income	(215)	(356)	(39.6)	(22)	(90)	(75.6)
Inventories written off	-	-	-	39	-	100
Net loss on disposal of Nutrition business and intangible assets	-	-	-	2,232	-	100
Net loss on liquidation of subsidiaries	-	-	-	2,207	-	100
Property, plant and equipment written off*	2,532	899	>100	2,458	151	>100
Write back of allowance for write-down of inventories	(226)	(135)	67.4	-	-	-

* Included right-of-use assets

1(b) (i) Statements of Financial Position

	Group		Company	
	As at 30.9.2020 RM'000	As at 30.9.2019 RM'000	As at 30.9.2020 RM'000	As at 30.9.2019 RM'000
Non-current assets				
Property, plant and equipment*	531,263	383,044	-	-
Deposits for purchase of property, plant and equipment	53	31,152	-	-
Investment properties	22,400	22,882	-	-
Investments in subsidiaries	-	-	238,331	231,760
Financial assets at fair value through other comprehensive income ("FVOCI")	9,038	7,676	8,726	7,517
Deferred tax assets	308	711	-	-
Intangible assets	24,227	27,525	-	-
	587,289	472,990	247,057	239,277
Current assets				
Inventories	42,530	45,622	-	-
Trade and other receivables	44,060	54,381	127,254	143,799
Tax recoverable	339	846	-	-
Fixed deposits	615	1,167	-	-
Cash and bank balances	24,064	22,690	776	458
	111,608	124,706	128,030	144,257
Non-current assets classified as held for sale	-	9,024	-	-
	111,608	133,730	128,030	144,257
Current liabilities				
Trade and other payables	84,506	77,848	31,175	2,094
Bank borrowings	49,718	41,487	-	-
Lease liabilities**	28,663	9,830	-	-
Current income tax payable	159	173	-	-
Provision for restoration costs	-	1,378	-	-
	163,046	130,716	31,175	2,094
Net current (liabilities)/assets	(51,438)	3,014	96,855	142,163
Non-current liabilities				
Bank borrowings	197,599	146,259	-	-
Lease liabilities**	121,834	18,804	-	-
Provision for restoration costs	3,671	2,735	-	-
Financial guarantee contracts	-	-	5,794	5,359
Deferred tax liabilities	3,815	4,661	-	-
	326,919	172,459	5,794	5,359
Net assets	**208,932**	**303,545**	**338,118**	**376,081**
Capital and reserves				
Share capital	177,865	177,865	177,865	177,865
Treasury shares	(183)	(183)	(183)	(183)
Accumulated profits	29,162	144,792	142,165	181,844
Foreign currency translation reserve	27,763	22,775	41,615	41,084
Fair value reserve	(23,281)	(24,619)	(23,344)	(24,529)
Other reserve	(2,394)	(17,085)	-	-
Equity attributable to the owners of the Company/Total equity	**208,932**	**303,545**	**338,118**	**376,081**

* Includes right-of-use assets
** Previously presented as finance lease liabilities

1(b) (ii) Aggregate amount of the Group's borrowings and debt securities.

	As at 30.9.2020 RM'000	As at 30.9.2019 RM'000
Amount payable within one year		
Bank borrowings	49,718	41,487
Lease liabilities (finance lease)	10,995	9,830
	60,713	51,317
Amount payable after one year		
Bank borrowings	197,599	146,259
Lease liabilities (finance lease)	23,746	18,804
	221,345	165,063
Total	**282,058**	**216,380**

The Group's bank borrowings as at 30 September 2020 are secured against the following:

- Pledge of certain leasehold land and buildings;
- Pledge of shares of a subsidiary;
- Debenture comprising fixed and floating charge over all future and present assets of certain subsidiaries; and
- Company's corporate guarantee, including for finance lease payables.

The Group's finance lease liabilities are secured by way of a charge against the respective machineries and motor vehicles under finance leases.

1(c) Consolidated Statement of Cash Flows

	2020 RM'000	2019 RM'000 (Restated)
Operating activities		
Loss before income tax from continuing operations	(87,069)	(24,289)
Loss before income tax from discontinued operations	(12,365)	(10,156)
Loss before income tax, total	(99,434)	(34,445)
Adjustments for:		
Loss allowance on receivables, net	637	169
Amortisation of intangible assets	456	712
Depreciation of property, plant and equipment*	50,399	26,185
Depreciation of investment properties	482	482
Dividend income	-	(1)
Finance costs	21,177	6,683
Foreign currency exchange loss, net	2,098	(172)
Gain on disposal of assets classified as held for sale	(173)	-
Gain on disposal of a subsidiary	-	(10,501)
Gain on disposal of property, plant and equipment, net	(159)	(1,308)
Impairment of intangible assets	-	7,247
Impairment of property, plant and equipment	34,349	161
Impairment of deposits for purchase of property, plant and equipment	2,140	-
Intangible assets written off	5	28
Interest income	(237)	(446)
Inventories written off	39	-
Net loss on disposal of Nutrition business and intangible assets (Note 1(c)(ii) Note A)	2,232	-
Net loss on liquidation of subsidiaries (Note 1(c)(ii) Note B)	2,207	-
Property, plant and equipment written off*	4,990	1,050
Rent concession	(2,533)	-
Write back of allowance for write-down of inventories	(226)	(135)
Operating profit/(loss) before working capital changes	18,449	(4,291)
Working capital changes:		
Inventories	3,404	(6,431)
Trade and other receivables	7,780	(1,376)
Trade and other payables	(3,436)	18,035
Cash generated from operations	26,197	5,937
Interest paid	(1,577)	(1,510)
Income tax paid, net	(1,452)	(2,168)
Net cash generated from operating activities	**23,168**	**2,259**
Investing activities		
Dividend received	-	1
Disposal of a subsidiary, net of cash disposed	-	17,764
Consideration receivable from disposal of a subsidiary	-	400
Liquidation of subsidiaries, net of cash liquidated (Note 1(c)(ii) Note B)	(35)	-
Interest received	237	446
Proceeds from disposal of assets classified as held for sale	8,629	-
Proceeds from disposal of property, plant and equipment	476	2,429
Proceeds from disposal of Nutrition business and intangible assets (Note 1(c)(ii) Note A)	1,044	-
Purchase of intangible assets	(387)	(1,420)
Purchase of property, plant and equipment	(49,685)	(131,245)
Net cash used in investing activities	**(39,721)**	**(111,625)**

1(c) Consolidated Statement of Cash Flows (continued)

	2020 RM'000	2019 RM'000 (Restated)
Financing activities		
Proceeds from Rights Issue	-	51,290
Transaction costs in respect of the Rights Issue	-	(878)
Net changes fixed deposits pledged to bank	552	(624)
Interest paid	(19,600)	(5,173)
Repayment of lease obligations	(22,591)	(9,539)
Drawdown of bank borrowings	144,384	142,085
Repayment of bank borrowings	(84,794)	(61,537)
Net cash generated from financing activities	**17,951**	**115,624**
Net change in cash and cash equivalents	1,398	6,258
Cash and cash equivalents at the beginning of the financial year	22,671	16,372
Effect of exchange rate changes	(5)	41
Cash and cash equivalents at the end of the financial year	**24,064**	**22,671**
Cash and cash equivalents comprise the following:		
Cash and bank balances	24,064	22,690
Bank overdrafts	-	(19)
	24,064	**22,671**

* Included depreciation of right-of-use assets

1(c)(i) Reconciliation of liabilities arising from financing activities

	30.9.2019 RM'000	SFRS(I) 16 Adoption RM'000	Rent concession RM'000	Cash flows RM'000	Non-cash changes: Additions of property, plant and equipment RM'000	Non-cash changes: Foreign currency exchange RM'000	Non-cash changes: Liquidation of a subsidiary RM'000	30.9.2020 RM'000
Lease liabilities	28,634	105,502	(2,533)	(22,591)	41,564	(6)	(73)	150,497
Bank borrowings	187,727	-	-	59,590	-	-	-	247,317
	216,361	105,502	(2,533)	36,999	41,564	(6)	(73)	397,814

	30.9.2018 RM'000	Cash flows RM'000	Non-cash changes: Additions of property, plant and equipment RM'000	Non-cash changes: Foreign currency exchange RM'000	30.9.2019 RM'000
Lease liabilities	31,289	(9,539)	6,876	8	28,634
Bank borrowings (excluding bank overdrafts)	107,179	80,548	-	-	187,727
	138,468	71,009	6,876	8	216,361

1(c)(ii) Discontinued operations

In accordance with SFRS(I) 5: *Non-current Assets Held for Sale and Discontinued Operations*, the results from the discontinued operations were presented separately on the consolidated statement of comprehensive income as "Discontinued operations". Comparative figures have been restated to accordingly reflect the discontinued operations in the consolidated statement of comprehensive income. The discontinued operations do not have impact on the statements of financial position as at 1 October 2019.

On 1 October 2019, a wholly-owned indirect subsidiary of the Company, PT Quick Service Restaurant had ceased operations following the disposal of its entire six Texas Chicken restaurants in Indonesia.

On 20 March 2020, a wholly-owned indirect subsidiary of the Company, Naturalac Nutrition Limited ("NNL") had disposed of its nutrition business and intangible assets for a cash consideration of NZD400,000 (equivalent to approximately RM1,044,000). Subsequently, the Group had appointed liquidator for the voluntary winding-up of NNL on 26 August 2020. The liquidation was completed on 4 December 2020.

On 5 August 2020, a wholly-owned indirect subsidiary of the Company, The Delicious Group Sdn Bhd has been placed under voluntary liquidation as it has ceased operation of the restaurant outlets on 31 May 2020 due to adverse market conditions. The liquidation is still in the process as at reporting date.

Another wholly-owned indirect subsidiary of the Company, Envictus Central Food Services Sdn Bhd had also ceased operations on 7 February 2020 due to adverse market conditions.

The results of a disposed subsidiary, Envictus Dairies NZ Limited in the previous financial year has been restated as "Discontinued operations" for comparison purpose.

The results of the discontinued operations are as follows:

	2020 **RM'000**	**2019** **RM'000** **(Restated)**
Revenue	11,754	41,748
Cost of goods sold	(6,422)	(24,703)
Gross profit	5,332	17,045
Other operating income	267	146
Loss allowance on receivables, net	-	247
Administrative expenses	(3,758)	(12,936)
Selling and marketing expenses	(4,996)	(13,625)
Warehouse and distribution expenses	(1,030)	(3,211)
Research and development expenses	(325)	(495)
Other operating expenses	(3,413)	(7,714)
Finance costs	(3)	(114)
Loss before tax from discontinued operations	(7,926)	(20,657)
Income tax expense	(32)	(246)
Loss after tax from discontinued operations	(7,958)	(20,903)
Net gain on disposal of a subsidiary	-	10,501
Net loss on disposal of business and intangible assets (Note A)	(2,232)	-
Net loss on liquidation of subsidiaries (Note B)	(2,207)	-
Loss from discontinued operations, net of tax	**(12,397)**	**(10,402)**
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	2,397	979
Total comprehensive income	**(10,000)**	**(9,423)**

Note A:
Net loss on disposal of Nutrition business and intangible assets:

	RM'000
Sale proceeds from Intellectual Property	261
Less: Carrying amount of Intellectual Property	(3,196)
Effect of exchange rate changes	(110)
Loss on disposal of Intellectual Property	(3,045)

1(c)(ii) Discontinued operations (Continued)

Note A : (Continued)

	RM'000
Sale proceeds from Business Agreement and Goodwill	783
Effect of exchange rate changes	30
Gain on disposal of Business Agreement and Goodwill	813
Net loss on disposal of business and intangible assets	(2,232)

The effects of disposal of Nutrition business and intangible assets on cash flows are as follows:

	RM'000
Sale proceeds from Intellectual Property	261
Sale proceeds from Business Agreement and Goodwill	783
Net cash inflow on disposal	1,044

Note B:

Net loss on liquidation of subsidiaries and the effects on cash flow:

	RM000
Property, plant and equipment	67
Trade and other receivables	324
Tax recoverable	4
Cash and bank balances	35
Trade and other payables	(831)
Lease liabilities	(73)
Net liabilities liquidated	(474)
Net identified liabilities as above	474
Foreign currency reserve of liquidated subsidiaries realised to profit or loss	(2,681)
Loss on liquidation of subsidiaries	(2,207)
Net cash flow on liquidation – cash and bank balances	(35)

1(d) (i) Statements of Changes in Equity

Group	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Other reserves RM'000	Accumulated profits RM'000	Total attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 October 2019	177,865	(183)	22,775	(24,619)	(17,085)	144,792	303,545	-	303,545
Loss for the financial year	-	-	-	-	-	(100,939)	(100,939)	-	(100,939)
Other comprehensive Income:									
Exchange differences on translating foreign operations	-	-	4,988	(19)	-	-	4,969	-	4,969
Net fair value loss on financial assets at FVOCI	-	-	-	1,357	-	-	1,357	-	1,357
Total other comprehensive income	-	-	4,988	1,338	-	-	6,326	-	6,326
Total comprehensive income	-	-	4,988	1,338	-	(100,939)	(94,613)	-	(94,613)
Liquidation of subsidiaries*	-	-	-	-	14,691	(14,691)	-	-	-
At 30 September 2020	177,865	(183)	27,763	(23,281)	(2,394)	29,162	208,932	-	208,932
At 30 September 2018	127,453	(183)	23,821	(95)	(4,562)	148,393	294,827	(10,031)	284,796
Effect of adoption of SFRS(I) 9	-	-	-	(25,296)	-	31,854	6,558	-	6,558
At 1 October 2018	127,453	(183)	23,821	(25,391)	(4,562)	180,247	301,385	(10,031)	291,354
Loss for the financial year	-	-	-	-	-	(35,455)	(35,455)	(1,396)	(36,851)
Other comprehensive Income:									
Exchange differences on translating foreign operations	-	-	(1,046)	842	-	-	(204)	(89)	(293)
Net fair value loss on financial assets at FVOCI	-	-	-	(70)	-	-	(70)	-	(70)
Total other comprehensive income, net of tax	-	-	(1,046)	772	-	-	(274)	(89)	(363)
Total comprehensive income	-	-	(1,046)	772	-	(35,455)	(35,729)	(1,485)	(37,214)
Contributions by owners:									
Issuance of shares under the Rights Issue	51,290	-	-	-	-	-	51,290	-	51,290
Transaction costs in respect of the Rights Issue	(878)	-	-	-	-	-	(878)	-	(878)
Changes in ownership interest in a subsidiary:									
Subscription of additional shares in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	1,504	1,504
Waiver of debts pursuant to the disposal of a subsidiary	-	-	-	-	(12,523)	-	(12,523)	13,027	504
Disposal of a subsidiary	-	-	-	-	-	-	-	(3,015)	(3,015)
At 30 September 2019	177,865	(183)	22,775	(24,619)	(17,085)	144,792	303,545	-	303,545

* Forgiveness of debts with non-controlling interest and the premium paid for the acquisition of non-controlling interest of a disposed subsidiary in the previous financial year, now transferred to accumulated profits as a result of liquidation of a subsidiary.

1(d) (i) Statements of Changes in Equity (continued)

Company	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Accumulated profits RM'000	Total equity RM'000
At 1 October 2019	177,865	(183)	41,084	(24,529)	181,844	376,081
Loss for the financial year	-	-	-	-	(39,679)	(39,679)
Other comprehensive income:						
Exchange differences on translation	-	-	531	(19)	-	512
Net fair value loss on financial assets at FVOCI	-	-	-	1,204	-	1,204
Total other comprehensive income	-	-	531	1,185	-	1,716
Total comprehensive income	-	-	531	1,185	(39,679)	(37,963)
At 30 September 2020	177,865	(183)	41,615	(23,344)	142,165	338,118
At 30 September 2018	127,453	(183)	41,250	-	190,408	358,928
Effect of adoption of SFRS(I)9	-	-	-	(25,296)	32,143	6,847
At 1 October 2018	127,453	(183)	41,250	(25,296)	222,551	365,775
Loss for the financial year	-	-	-	-	(40,707)	(40,707)
Other comprehensive income:						
Exchange differences on translation	-	-	(166)	842	-	676
Net fair value loss on financial assets at FVOCI	-	-	-	(75)	-	(75)
Total other comprehensive income	-	-	(166)	767	-	601
Total comprehensive income	-	-	(166)	767	(40,707)	(40,106)
Contributions by owners:						
Issuance of shares under the Rights Issue	51,290	-	-	-	-	51,290
Transaction costs in respect of the Rights Issue	(878)	-	-	-	-	(878)
At 30 September 2019	177,865	(183)	41,084	(24,529)	181,844	376,081

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital	**COMPANY**		
	Number of shares	**S$'000**	**RM'000**
Issued and fully paid-up ordinary shares:			
As at 30 September 2019 and 30 September 2020	247,356,403	68,511	177,865

Treasury Shares	**COMPANY**		
	Number of treasury shares	**S$'000**	**RM'000**
At 30 September 2019 and 30 September 2020	(242,000)	(76)	(183)

Share Capital	**COMPANY**		
	Number of shares	**S$'000**	**RM'000**
Issued and fully paid-up ordinary shares:			
As at 30 September 2018	142,160,499	51,968	127,453
Issuance of new shares under the Rights Issue	105,195,904	16,831	51,290
Transaction costs in respect of the Rights Issue	-	(288)	(878)
As at 30 September 2019	247,356,403	68,511	177,865

On 28 November 2018, the Company completed its renounceable non-underwritten Rights cum Warrants following the issuance and allotment of 105,195,904 new ordinary shares in the Company (the "Rights Shares") at an issue price of S$0.16 per Rights Share, together with up to 105,195,904 free detachable Warrants (the "Warrants"), on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in the capital of the Company held by entitled shareholders as at books closure date on 29 October 2018, with one (1) Warrant for every one (1) Rights Share subscribed by the shareholders of the Company. The newly issued shares rank pari passu in all respect with the previously issued shares.

Treasury Shares	**COMPANY**		
	Number of treasury shares	**S$'000**	**RM'000**
At 30 September 2018 and 30 September 2019	(242,000)	(76)	(183)

The Company has 105,195,904 outstanding warrants as at 30 September 2020, convertible into 105,195,904 ordinary shares of the Company.

There were no subsidiary holdings held against the total number of shares outstanding as at 30 September 2020.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2020, the total number of issued shares less treasury shares of the Company was 247,114,403 shares (30 September 2019: 247,114,403 shares).

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2020.

1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 September 2020.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard (eg. the Singapore Standard on Auditing 910 Engagement to Review Financial Statements), or an equivalent standard.

The figures have not been audited or reviewed.

3 Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been applied.

Except as disclosed in Note 5, the financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited annual financial statements for the financial year ended 30 September 2019.

5 If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect, of the change.

Adoption of SFRS(I) 16 Leases

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* in the financial year beginning on 1 October 2019 using the modified retrospective method, which requires lessees to capitalise all leases on the statements of financial position by recognising a 'right-of-use' assets and a corresponding lease liabilities for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, these lease assets will be depreciated and the lease liabilities will be measured at amortised cost. On the date of initial application, the Group applied the transition approach and did not restate comparative amounts for the period prior to first adoption.

The nature of the expenses related to the leases will correspondingly change. Operating rental expenses previously recognised in the Consolidated Statement of Comprehensive Income will be replaced with depreciation of right-of-use assets and financial cost on lease liabilities.

Statements of Financial Position – Initial adoption

	1.10.2019
	RM'000
Property, plant and equipment	105,502
Lease liabilities	(105,502)

Consolidated Statement of Comprehensive Income

	RM'000
	Increase/(decrease)
Rental expenses	(26,207)
Rent concession	(2,533)
Depreciation of right-of-use assets	22,110
Lease interest	8,113
	1,483

6 **Loss per ordinary shares of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.**

	Group	
	30.9.2020	**30.9.2019**
Continuing operations		
Net loss attributable to owners of the Company for the financial year (RM '000)	(88,542)	(25,053)
Weighted average number of ordinary shares	247,114,403	230,398,342
Loss per share (RM sen)	(35.83)	(10.87)
Discontinued operations		
Net loss attributable to owners of the Company for the financial year (RM '000)	(12,397)	(10,402)
Weighted average number of ordinary shares	247,114,403	230,398,342
Loss per share (RM sen)	(5.02)	(4.51)

7 **Net asset value (for issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	As at 30.9.2020 RM	**As at 30.9.2019 RM**	**As at 30.9.2020 RM**	**As at 30.9.2019 RM**
Net asset value per ordinary share based on issued share capital at the end of the financial year	0.85	1.23	1.37	1.52

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period.**

Business Segments

The Group's core business segments are as follows:

a) Food Services Division – Texas Chicken restaurants and San Francisco Coffee chains;
b) Trading and Frozen Food Division;
c) Food Processing Division comprising of:
- bakery;
- butchery; and

d) Dairies Division – manufacturing and distribution of condensed and evaporated milk.

Performance Review

Review on Consolidated Statement of Comprehensive Income

For the financial year ended 30 September 2020 under review, the Group's revenue contracted by 5.0% to RM399.6 million from RM420.8 million in the previous financial year ended 30 September 2019 for the continuing operations. Since March 2020, the government has implemented various movement control orders (MCOs) to curb the spread of Covid-19 virus. The MCOs have restriction on public movements, social and business activities. These measures have impacted the revenue contribution from the Trading and Frozen Food and Food Processing Divisions, but cushioned by higher contribution generated by new stores from the Food Services Division.

The Food Services Division's top line climbed RM11.8 million or 5.8% to RM216.8 million from RM205.0 million in the previous financial year, largely contributed from Texas Chicken restaurants in Malaysia. Texas Chicken's revenue jumped RM13.8 million or 8.2% from RM168.7 million to RM182.5 million on the back of 17 new stores. However, this was partly offset by lower revenue from San Francisco Coffee chains whose top line contracted by RM2.1 million or 5.8% to RM34.2 million from RM36.3 million as a result of lower sales from the existing outlets and closure of eight outlets due to the MCOs. The Covid-19 pandemic has impacted lives in many ways and caused weaker consumer spending due to reduced income or work from home.

The revenue and results of Texas Chicken Indonesia and Delicious restaurants are separately presented as "Discontinued operations" in the consolidated statement of comprehensive income as a result of the disposal of the entire six Texas Chicken outlets in Indonesia and the closure of Delicious restaurants on 1 October 2019 and 31 May 2020, respectively.

The number of stores of each business are as follows:

	As at 30.9.2020	As at 30.9.2019
Texas Chicken		
- Malaysia	74	57
- Indonesia	-	6
San Francisco Coffee	49	54
Delicious restaurants	-	3

The Covid-19 pandemic and on-going restrictive measures enforced by the government have caused the closure of many hotels, restaurants and café, coupled with the drop in tourism industry as a result of inbound and outbound international travel restrictions. Consequently, both Trading and Frozen Food and the Food Processing Divisions saw a significant drop in revenue of RM26.7 million or 17.5% to RM126.3 million from RM153.0 million and RM6.2 million or 25.8% to RM17.8 million from RM24.0 million, respectively. Revenue of the frozen bakery business fell by RM5.7 million or 24.2%, from RM23.6 million to RM17.9 million.

The Dairies Division was able to maintain its top line at RM38.5 million as compared to RM38.6 million in the previous financial year despite the challenges of the current operating environment. Sales have picked up since June 2020.

The improvement of gross profit margin from 38.5% to 40.2% was primarily due to higher sales contribution from the Food Services Division which derives better margin from its products.

Other operating income increased by RM1.7 million or 27.0%, from RM6.4 million to RM8.1 million due mainly to rental rebates and payroll subsidy of RM2.5 million and RM0.6 million, respectively for certain period during the MCOs.

Operating expenses increased by RM48.2 million or 25.9% to RM234.4 million from RM186.2 million owing to one-off impairment of property, plant and equipment of RM35.5 million, higher selling and marketing expenses of RM11.7 million mainly due to increase in delivery commission of RM4.6 million and higher operating costs in tandem with the expansion of Texas Chicken restaurants. This was compensated by lower warehouse and distribution expenses of RM2.0 million owing to reduction in transport and staff costs during the MCO period. Other operating expenses increased by RM2.0 million or 84.0% mainly attributed to the property, plant and equipment written off of RM2.5 million during the financial year.

Finance costs increased by RM14.6 million or 221.2% from RM6.6 million to RM21.2 million mainly attributed to RM8.1 million lease interest from the adoption of SFRS(I) 16 *Leases.* In addition, the term loans interest increased by RM6.9 million as a results of higher bank borrowings to finance the new factories and setting up new restaurant outlets.

Income tax expense reduced by RM0.7 million or 31.8% to RM1.5 million compared with RM2.2 million in the previous financial year was attributed to lower profit generated by a subsidiary.

Amid the pandemic that has impacted the Group's businesses, the one-off impairment of property, plant and equipment and rising interest expense, the Group suffered a loss after tax of RM100.9 million compared with RM36.9 million in the previous financial year. Excluding the one-off impairment, the Group's loss after tax is RM64.5 million.

Review on Statements of Financial Position

Non-current assets increased by RM114.3 million from RM473.0 million to RM587.3 million largely attributable to the increase in property, plant and equipment of RM148.2 million. Right-of-use assets increased by RM113.0 million as a result of the adoption of new accounting standard SFRS(I) 16 *Leases* on 1 October 2019 and the construction of new factories at Pulau Indah and setting-up costs for new stores, which was partly offset by the one-off impairment of property, plant and equipment of RM35.5 million.

Current assets (excluding non-current assets classified as held for sale) decreased by RM13.1 million mainly due to decrease in trade and other receivables of RM10.3 million and inventories of RM3.1 million. These were partially offset against increase in cash and bank balances of RM1.4 million.

Current liabilities increased by RM32.3 million mainly attributable to higher lease liabilities of RM18.8 million as a result of the adoption of new accounting standard SFRS(I) 16 *Leases* of RM17.7 million and increase in finance lease of RM1.1 million for the construction of new factories and expansion of restaurant businesses. In addition, the trade and other payables increased by RM6.7 million.

Non-current liabilities increased by RM154.5 million was primarily attributed to lease liabilities of RM103.0 million as a result of the adoption of new accounting standard SFRS(I) 16 *Leases* of RM98.1 million, coupled with the increase in bank borrowings and finance lease of RM51.3 million and RM4.9 million, respectively to finance the construction of new factories and setting-up new stores.

The Group had a negative working capital of RM51.4 million as at 30 September 2020. The Group actively manages the cash flow and ensure it is able to meet the short-term debts obligation as and when they fall due with the followings:

i) The Group is actively engaging with its bankers, trade and other creditors to extend or restructure the existing credit terms;
ii) Propose monetisation of non core assets of the Group;
iii) The Group will slow down the pace of expansion of its fast food and coffee chain businesses, and have implemented various cost control measures in order to conserve cash during this pandemic period;
iv) As at 29 December 2020, the Group has available bank overdraft facilities of RM6.1 million to finance the working capital of the Group; and
v) The Group has applied for an extension of moratorium for six months and extension of tenure for 3 years for RM2.0 million and RM7.7 million respectively commencing from 1 October 2020 for certain term loans from the financial institution due to the Covid-19 outbreak and the various movement control orders implemented by the government.

Review on Consolidated Statement of Cash Flows

The Group's cash and cash equivalents stood at RM24.1 million for the current financial year ended 30 September 2020, an increase of RM1.4 million from RM22.7 million recorded in the previous financial year.

Net cash generated from operating activities of RM23.2 million was attributed to operating profit of RM18.4 million, reduction in inventories and trade and other receivables of RM3.4 million and RM7.8 million, respectively. These were partially offset by decrease in trade and other payables of RM3.4 million and payment for interest and income tax of RM3.0 million.

Total cash of RM49.7 million was invested in the construction of new factories and for expansion of existing businesses, partly offset by the proceeds received from the disposal of Texas Chicken Indonesia stores and Nutrition business of RM8.6 million and RM1.0 million, respectively. These have resulted the net cash of RM39.7 million utilised in investing activities.

Financing activities registered a net inflow of RM18.0 million mainly from the drawdown of bank borrowings of RM144.4 million which was partly utilised for financing the construction of new factories and expansion of existing businesses, repayment of bank borrowings of RM84.8 million, repayment of lease obligations of RM22.6 million and interest payment of RM19.6 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Coronavirus ("Covid-19") outbreak since January 2020 has impacted adversely the economic activities of the country. Since 18 March 2020, the government has implemented various Movement Control Order ("MCO") to curb the spread of the Covid-19. During the Recovery MCO ("RMCO") period, the Standard Operation Procedures ("SOPs") were relaxed resulting in a gradual recovery of the economic activities particularly in the restaurants and eateries businesses. Unfortunately, Malaysia entered into the third wave of the Covid-19 pandemic in October 2020 where the states of Sabah, Selangor, Kuala Lumpur and Territory of Putrajaya were placed under Conditional MCO ("CMCO") from 14 October 2020 for a period of two weeks. The CMCO was subsequently extended until 14 January 2021 due to growing number of Covid-19 cases in Sabah, Selangor and Kuala Lumpur. Meanwhile, Territory of Putrajaya has been lifted. As our group is principally in the food and beverage business, the unprecedented outbreak has impacted adversely the performance across all divisions.

a) Food Services Division

The rising numbers of Covid-19 cases since the outbreak have impacted the footfall and vehicle traffic volume in the retail malls. This caused the revenue of Texas Chicken outlets located in the malls to fall substantially as compared to those standalone and drive-through stores. The reduction in revenue was partially compensated by increased sales from the delivery channel since June 2020. In order to attract more customers and create awareness of its products and brands during the pandemic period, Texas Chicken is collaborating closely with its delivery partner, GrabFood in launching various Limited Time Offer ("LTO") campaigns and introduced food truck and catering packages.

On 19 May 2020, Texas Chicken raised the bar on the quick-service restaurant experience in Malaysia with its comprehensive brand re-launch and competitive new positioning. Aiming to excite local consumers with a fresh outlook on the brand, Texas Chicken has unveiled a new logo, a more compelling restaurant design, new product packaging, and revamped its staff uniforms, in addition to releasing LTO on the menu. The Sunway Pyramid outlet is the first in Malaysia to feature the new restaurant design and since then seventeen more stores have adopted the new design.

Texas Chicken's store count reached 78 after the latest store opening at Jalan Pengkalan Chepa Drive-through, Kota Bharu, Kelantan on 27 December 2020. It is expected to open another six stores which include drive-through in the next 12 months.

The competition within the coffee industry has always been challenging and this has been exacerbated by the ongoing Covid-19 pandemic which has severely impacted the revenue of San Francisco Coffee ("SF") business especially for those outlets located in the mall. Some competitors have chosen to maintain their pricing to gain more market share and some are offering seasonal drinks with tactical promotions. In response, SF has introduced combo meals that catered to 2-4 pax to attract and retain existing customers. In addition, SF also partnered with GrabFood to sell Cable Car Blend beans to promote brand visibility on the online platform.

SF has a total of 50 stores after the latest outlet opening at Queensbay Mall at Penang in October 2020. For the next 12 months, any new stores opening will be dependent on the situation of Covid-19.

b) Trading and Frozen Food Division

Hotels, restaurants, fast-food chains and cruise ships are among major customers of frozen food products in Pok Brothers. The Covid-19 pandemic has caused the slowed down in fast-food chain, permanent or temporary closure of hotels, restaurants, cruise ships and minimum overseas visitors as the border is not fully opened. Consequently, the revenue of Pok Brothers was impacted badly by the Covid-19 pandemic.

The major prices of imported meats from Brazil and New Zealand are stable except for the delayed shipment of the imported meats from Australia due to Covid-19 resulting in the disruption of the activities in the port. Consequently, the imported meat has to be air freight to Malaysia resulted in higher freight charges.

c) Food Processing Division

(i) Bakery

The Covid-19 pandemic has greatly impacted the businesses of De-luxe as most of its customers are in hotels, restaurants and tourism-related industry.

To mitigate the slowdown in local sales, De-luxe has started the Hotel Assortment, especially for hotels, restaurants and cafes to slowly resume their business with the thaw and serve concept in the small quantity per box. De-luxe also started the home delivery channel within Klang Valley where customers can place an order via e-mail or WhatsApp Messenger during various MCO phases.

Similarly, the export market was impacted adversely as the businesses in China, Philippines and Singapore have slowed down due to stricter international border control.

(ii) Butchery

The revenue of Gourmessa has reduced significantly due to the Covid-19 pandemic which has the effects of the closure of some restaurants and hotels which are the main customers of Gourmessa. Gourmessa is promoting some new range of products to drive higher sales in the retail business to compensate for the lower sales in the restaurants and hotels segment.

Gourmessa has fulfilled the requirements of the Department of Veterinary Services Malaysia (“DVS”), but the audit of Pulau Indah plant has been postponed due to the CMCO. Without the DVS certificate, Gourmessa is unable to export to Singapore despite having some interested parties to distribute their products.

d) Dairies Division

Dairies division supplies sweetened creamer (“SC”) and evaporated creamer (“EC”) to the food industry. The implementation of various MCO by the government which has restricted the operating hours of its customers has slightly impacted its revenue.

The selling price for both SC and EC remained low as competitors are promoting periodically to gain more market share, especially during the economic slowdown.

The construction of the milk factory in Pulau Indah has completed and the Dairies division is expected to operate at a higher capacity once the HALAL certification is approved. In the long run, Dairies division will increase the sales force to cover bigger areas of Malaysia to capture more market shares with the readiness of its productions. Dairies are also expected to compete aggressively in the export market as the pricing will be competitive.

The Group’s businesses in the various divisions have been adversely impacted by the Covid-19 pandemic since March 2020. The various phases of the MCO and the SOP implemented for businesses and restriction on local and interstate travel have resulted in businesses slow down and closure, particularly in the food service and tourism-related industry. Moving forward, the recovery of the Group’s business is highly dependent on the containment of the Covid-19 disease locally and internationally and the timing of the availability of the vaccine.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

No.

(b) (i) Amount per share (RM sen)
Not applicable.

(ii) Previous corresponding period (RM sen)
Not applicable.

(c) **Whether the dividend is before tax, net of tax or tax exempt.**

Not applicable.

(d) **The date the dividend is payable.**

Not applicable.

(e) **The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the financial year ended 30 September 2020 as the Group needs to conserve cash resources for working capital requirement.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as no IPT mandate has been obtained.

14 Utilisation of proceeds from Rights cum Warrants Issue.

On 28 November 2018, the Group raised approximately S$16.5 million (after deducting expenses of S$0.3 million relating to the Rights cum Warrants Issue) or RM50.4 million from the Rights cum Warrants Issue ("the Net Proceeds"). The utilisation of the net proceeds as set out below:

Intended Use of Net Proceeds	Revised Amount Allocated # S$'000	Revised Amount Allocated RM'000	Amount Utilised RM'000	Balance Amount RM'000
Repayment of bank borrowings	6,593	19,976	19,976	-
Working capital *	4,685	14,196	14,196	-
Expansion of existing businesses	5,253	16,240	16,240	-
Total	16,531	50,412	50,412	-

* The breakdown of the amount utilised for working capital is as follow:

	RM'000
Trade suppliers	3,725
Salaries and related expenses	4,043
Other operating expenses	6,428
Total	14,196

The use of proceeds from the Rights cum Warrants Issue as disclosed above is in accordance with the intended utilisation as disclosed in the Offer Information Statement dated 29 October 2018.

The Company has re-allocated the unutilsed proceeds of S$0.288 million from repayment of bank borrowings (S$0.008 million) and working capital (S$0.28 million) for expansion of existing business as announced on 26 March 2019. The Company has fully utilised the net proceeds from Rights cum Warrants Issue as announced on 25 June 2019.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

SEGMENTAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2020	Food Services RM'000	Trading and Frozen Food RM'000	Food Processing RM'000	Nutrition RM'000	Dairies RM'000	Unallocated RM'000	Total RM'000
Revenue							
Continuing operations:							
Total revenue	216,939	143,436	19,340	-	38,621	4,307	422,643
Intersegment revenue	(128)	(17,178)	(1,504)	-	(77)	(4,157)	(23,044)
Revenue from external customers	216,811	126,258	17,836	-	38,544	150	399,599
Discontinued operations:							
Total revenue	4,008	-	-	8,173	-	-	12,181
Intersegment revenue	(427)	-	-	-	-	-	(427)
Revenue from external customers	3,581	-	-	8,173	-	-	11,754
Results							
Segment results	(8,668)	8,046	(50,619)	-	(3,195)	(11,674)	(66,110)
Interest income	96	87	6	-	24	2	215
Finance costs	(10,244)	(1,503)	(7,305)	-	(1,126)	(996)	(21,174)
Profit/(Loss) before tax	(18,816)	6,630	(57,918)	-	(4,297)	(12,668)	(87,069)
Income tax	(174)	(1,618)	462	-	-	(143)	(1,473)
Profit/(Loss) from continuing operations, net of tax	(18,990)	5,012	(57,456)	-	(4,297)	(12,811)	(88,542)
Loss from discontinued operations, net of tax	(6,056)	-	-	(6,341)	-	-	(12,397)
Profit/(Loss) for the financial year	(25,046)	5,012	(57,456)	(6,341)	(4,297)	(12,811)	(100,939)
Segment assets	247,397	109,827	137,255	-	88,932	115,486	698,897
Segment liabilities	219,580	39,552	137,288	-	63,040	30,505	489,965
Other information							
Capital expenditure	23,528	650	50,843	-	28,972	47	104,040
Depreciation and amortisation*	35,701	4,318	8,086	-	387	2,845	51,337
Loss allowance on receivables, net	-	216	373	(9)	57	-	637
Property, plant and equipment written off*	4,276	28	393	293	-	-	4,990
Impairment of property, plant and equipment	961	-	33,388	-	-	-	34,349
Impairment of deposits for purchase of property, plant and equipment	-	-	2,140	-	-		2,140
(Gain)/Loss on disposal of property, plant and equipment, net	(55)	(129)	25	-	-	-	(159)
Gain on disposal of assets held for sale	(173)	-	-	-	-	-	(173)
Net loss on disposal of Nutrition business and intangible assets	-	-	-	2,232	-	-	2,232
(Gain)/Loss on liquidation of subsidiaries	(403)	-	-	2,610	-	-	2,207

* Included right-of-use assets

The following table presents financial information regarding geographical segments:

2020	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Australia RM'000	Others RM'000	Group RM'000
Total revenue from external customers							
Continuing operations	393,281	1,324	2,582	-	-	2,412	399,599
Discountinued operations	3,581	-	-	8,173	-	-	11,754
Segment non-current assets	577,943	-	-	-	-	-	577,943

SEGMENTAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (RESTATED)

2019	Food Services RM'000	Trading and Frozen Food RM'000	Food Processing RM'000	Nutrition RM'000	Dairies RM'000	Unallocated RM'000	Total RM'000
Revenue							
Continuing operations:							
Total revenue	205,132	169,382	25,749	-	38,746	4,733	443,742
Intersegment revenue	(122)	(16,363)	(1,735)	-	(170)	(4,564)	(22,954)
Revenue from external customers	205,010	153,019	24,014	-	38,576	169	420,788
Discontinued operations:							
Total revenue	15,322	-	8,953	19,092	-	-	43,367
Intersegment revenue	(785)	-	-	(834)	-	-	(1,619)
Revenue from external customers	14,537	-	8,953	18,258	-	-	41,748
Results							
Segment results	(8,543)	10,896	(9,775)	-	(1,667)	(8,987)	(18,076)
Interest income	68	185	28	-	59	16	356
Finance costs	(2,129)	(1,761)	(703)	-	(294)	(1,682)	(6,569)
Profit/(Loss) before tax	(10,604)	9,320	(10,450)	-	(1,902)	(10,653)	(24,289)
Income tax	(12)	(2,190)	291	-	-	(249)	(2,160)
Profit/(Loss) from continuing operations, net of tax	(10,616)	7,130	(10,159)	-	(1,902)	(10,902)	(26,449)
Loss from discontinued operations, net of tax	(11,849)	-	(3,771)	(3,964)	-	9,182	(10,402)
Loss for the financial year	(22,465)	7,130	(13,930)	(3,964)	(1,902)	(1,720)	(36,851)
Segment assets	141,526	118,140	148,950	11,085	72,372	114,647	606,720
Segment liabilities	79,549	45,592	97,052	3,659	43,569	33,754	303,175
Other information							
Capital expenditure	33,916	7,308	51,894	120	20,245	69	113,552
Depreciation and amortisation	12,691	4,079	7,828	128	358	2,295	27,379
Loss allowance on receivables, net	-	276	121	(247)	19	-	169
Property, plant and equipment written off	612	438	-	-	-	-	1,050
Impairment of property, plant and equipment	101	-	60	-	-	-	161
Impairment loss of intangible assets	3,255	-	-	3,992	-	-	7,247
(Gain)/Loss on disposal of property, plant and equipment, net	26	(1,503)	147	22	-	-	(1,308)
Gain on disposal of a subsidiary	-	-	-	-	-	(10,501)	(10,501)

The following table presents financial information regarding geographical segments:

2019	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Australia RM'000	Others RM'000	Group RM'000
Total revenue from external customers							
Continuing operations	416,272	1,526	2,990	-	-	-	420,788
Discountinued operations	10,378	-	5,810	22,921	2,440	199	41,748
Segment non-current assets	460,652	-	195	3,756	-	-	464,603

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Review of performance by business segments

The Group's businesses comprise the Food Services, Trading and Frozen Food, Food Processing and Dairies Divisions. The Food Services Division contributed 54.3% of the revenue, followed by the Trading and Frozen Food, Dairies and Food Processing Divisions of 31.6%, 9.6% and 4.5%, respectively.

The Group had disposed of Nutrition Division and its results and comparative figures were presented separately on the consolidated statement of comprehensive income as "Discontinued operations".

For continuing operations, the Group made a loss before income tax of RM87.1 million compared with RM24.3 million in the previous financial year. For the discontinued operations, the Group reported a loss before tax of RM12.4 million compared with RM10.2 million a year ago.

Food Services Division

The Food Services Division comprises of Texas Chicken restaurants and San Francisco Coffee chains in Malaysia. The revenue and results of Texas Chicken Indonesia and Delicious restaurants are separately presented as "Discontinued operations" in the consolidated statement of comprehensive income as a result of the disposal of the entire six Texas Chicken outlets in Indonesia and the closure of Delicious restaurants on 1 October 2019 and 31 May 2020, respectively.

The Division saw revenue growth of RM11.8 million or 5.8%, from RM205.0 million to RM216.8 million mainly contributed by stores growth of Texas Chicken Malaysia. Texas Chicken Malaysia's top line lift RM13.8 million or 8.2% from RM168.7 million to RM182.5 million on the back of 17 new stores. However, this was partly offset by lower revenue from San Francisco Coffee chains whose revenue slipped RM2.1 million or 5.8% to RM34.2 million from RM36.3 million due to lower sales from the existing outlets and closure of eight outlets due to the MCOs.

The Division posted a loss before tax of RM18.8 million as compared to RM10.6 million in the previous financial year was principally due to lower revenue from the existing stores amid the challenging environment arising from the Covid-19 pandemic. In addition, there were higher delivery commission of RM4.6 million from the increased delivery sales, net impact of RM1.5 million from the adoption of SFRS(I) 16 *Leases* and higher operating costs in tandem with the expansion of Texas Chicken restaurants.

Segmental assets increased by RM105.9 million or 74.8% from RM141.5 million to RM247.4 million and segment liabilities increased by RM140.1 million or 176.2% from RM79.5 million to RM219.6 million mainly attributed to increase in right-of use assets of RM112.1 million and lease liabilities of RM114.8 million from the adoption of SFRS(I) 16 *Leases.* The term loans and finance lease liabilities climbed RM17.8 million and RM6.5 million, respectively for the expansion of Texas Chicken restaurants.

Trading and Frozen Food Division

The Trading and Frozen Food and Food Processing reported a reduction in revenue of RM26.7 million or 17.5% from RM153.0 million to RM126.3 million due to lower sales to hotel and restaurant sectors. This was mainly attributed to the impact of the Covid-19 and the various restrictive measures implemented by the government to contain the pandemic. This have caused the closure of many hotels, restaurants and café, coupled with the drop in tourism industry and hotels average occupancy rate. As the result, the Division's profit before tax dropped by RM2.7 million or 29.0% to RM6.6 million compared to RM9.3 million achieved in the previous financial year.

Segmental assets reduced by RM8.3 million or 7.0% from RM118.1 million to RM109.8 million due to depreciation of property, plant and equipment, lower receivables and inventories. Segmental liabilities reported at RM39.6 million compared with RM45.6 million in the previous financial year, down by RM6.0 million or 13.2% mainly due to lower usage of tradeline facilities and repayment of term loans.

Food Processing Division

The Food Processing Division comprises the bakery and butchery businesses. The contract packing for dairy and juice-based drink business which disposed in the previous financial year has been restated as "Discontinued operations" for comparison purpose.

The Division reported dip in revenue of RM6.2 million or 25.8% to RM17.8 million from RM24.0 million in the previous financial year amid lower contribution from the frozen bakery busines as a result of closure of many hotels, restaurants and café during the multiple lockdowns and border restrictions.

The Division's loss before tax increase significantly to RM57.9 million compared with RM10.5 million in the previous financial year, up by RM47.4 million or 451.4% largely due to the one-off impairment of property, plant and equipment of RM35.5 million, increase in finance costs of RM6.6 million from bank borrowings to finance the construction of factory buildings.

Segmental assets decreased by RM11.7 million or 7.9% to RM137.3 million from RM149.0 million mainly attributed to the one-off impairment of property, plant and equipment of RM35.5 million, which was partly offset by increase in assets from the construction of a factory building. The segmental liabilities increased by RM40.2 million or 41.4% from RM97.1 million to RM137.3 million was largely due to higher bank borrowings and other payables to finance the construction of a factory building.

Dairies Division

The Dairies Division was able to maintain its top line at RM38.5 million as compared with RM38.6 million reported in the previous financial year despite the challenges of the current operating environment. The Division reported a loss before tax of RM4.3 million as compared to RM1.9 million in the previous financial year amid higher operating cost and finance cost to finance the construction of a factory building.

Segmental assets increased RM16.5 million or 22.8% from RM72.4 million to RM88.9 million mainly attributed to the construction of a factory building. The segmental liabilities increased RM19.4 million or 44.5% from RM43.6 million to RM63.0 million was largely due to higher bank borrowings to finance the construction of a factory building.

17 **A breakdown of sales and net loss after taxation (before deducting non-controlling interests) are as follows:**

	Group		
	30.9.2020 RM'000	**30.9.2019 RM'000**	**Change %**
(a) Sales reported for first half year			
- Continuing operations	225,768	204,260	10.5
- Discontinued operations	11,725	24,364	(51.9)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year			
- Continuing operations	(21,213)	(9,877)	>100%
- Discontinued operations	(4,913)	(5,371)	(8.5)
	(26,126)	(15,248)	71.3
(c) Sales reported for second half year			
- Continuing operations	173,831	216,528	(19.7)
- Discontinued operations	29	17,384	(99.8)
(d) Operating loss after tax before deducting non–controlling interests reported for second half year			
- Continuing operations	(67,329)	(16,572)	>100
- Discontinued operations	(7,484)	(5,031)	48.8
	(74,813)	(21,603)	>100

18 **A breakdown of the total annual dividend in (dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable as it was announced on 27 November 2020.

20 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

By Order of the Board
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' JAYA J B TAN
Executive Chairman

29 December 2020